

Asahi Kasei Corporation

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**Consolidated Results for Fiscal 2025:
April 1, 2025 – March 31, 2026**

(All figures in millions of yen, rounded to the nearest million, unless otherwise specified)

I. Summary of Consolidated Results

1. Operating results (percent change from previous year in brackets)

	FY 2025	FY 2024
Net sales	3,074,505 [+1.2%]	3,037,312 [+9.1%]
Operating income	231,200 [+9.1%]	211,921 [+50.6%]
Ordinary income	230,419 [+19.1%]	193,459 [+114.7%]
Net income attributable to owners of the parent	158,793 [+17.6%]	134,996 [+208.2%]
Net income per share*	116.97	97.94
Diluted net income per share*	—	—
Net income/shareholders' equity	8.0%	7.4%
Ordinary income/total assets	5.7%	5.0%
Operating income/net sales	7.5%	7.0%

* Yen

Notes:

- Comprehensive income was ¥293,277 million during fiscal 2025, and ¥131,466 million during fiscal 2024.
- Equity in earnings of affiliates was ¥8,993 million during fiscal 2025, and ¥(7,188) million during fiscal 2024.

2. Financial position

At fiscal year end March	2026	2025
Total assets	4,137,943	4,015,214
Net assets	2,165,647	1,913,944
Net worth/total assets	50.5%	46.3%
Net worth per share*	1,539.66	1,369.16

* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥2,088,458 million as of March 31, 2026, and ¥1,859,420 million as of March 31, 2025.

3. Cash flows

	FY 2025	FY 2024
Cash flows from operating activities	303,104	301,489
Cash flows from investing activities	(106,873)	(381,150)
Cash flows from financing activities	(245,354)	144,567
Cash and cash equivalents at end of period	372,068	390,035

II. Cash Dividends

Fiscal year	Cash dividends per share*				Total annual dividend amount	Dividends/ consolidated net income	Dividends/ consolidated net worth	
	Q1	Q2	Q3	Q4				
2024	—	18.00	—	20.00	38.00	52,174	38.8%	2.8%
2025	—	20.00	—	22.00	42.00	57,105	35.9%	2.9%
2026 (forecast)	—	22.00	—	22.00	44.00		36.8%	

* Yen

III. Forecast for Fiscal 2026 (April 1, 2026 – March 31, 2027)

(percent change from same period of previous year in brackets)

Net sales	3,254,000 [+5.8%]
Operating income	248,000 [+7.3%]
Ordinary income	247,500 [+7.4%]
Net income attributable to owners of the parent	160,000 [+0.8%]
Net income per share*	119.65

* Yen

Note:

Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.

IV. Other Information

1. Significant changes in the scope of consolidation during the period

21 companies eliminated:

Asahi Kasei Medical Co., Ltd. and 4 consolidated subsidiaries

Nagase Diagnostics Co., Ltd.

Daramic, LLC and 14 consolidated subsidiaries

2. Changes in accounting policies, changes in accounting estimates, and retroactive restatement

None

3. Changes in presentation

Consolidated statements of income:

Foreign exchange loss, which was reported separately under non-operating expenses for the fiscal year ended March 31, 2025, is included in other under non-operating expenses for the fiscal year ended March 31, 2026, due to decreased materiality. Consolidated statements of income for the fiscal year ended March 31, 2025, are restated to reflect this change. As a result, foreign exchange loss, previously reported to be ¥5,624 million, is included in other under non-operating expenses.

4. Number of shares outstanding

	FY 2025	FY 2024
Number of shares outstanding at end of period	1,365,751,932	1,365,751,932
Number of shares of treasury stock at end of period	9,311,227	7,683,150
Average number of shares outstanding during period	1,357,526,243	1,378,342,060

V. Summary of Non-Consolidated Results

1. Results for fiscal 2025 (April 1, 2025 – March 31, 2026)

(1) Operating results (percent change from previous year in brackets)

	FY 2025	FY 2024
Net sales	650,795 [-10.4%]	726,492 [+6.6%]
Operating income	(3,452) [—]	650 [—]
Ordinary income	64,016 [+292.3%]	16,319 [-91.5%]
Net income	112,995 [+205.2%]	37,022 [-78.2%]
Net income per share*	83.24	26.86
Diluted net income per share*	—	—

* Yen

(2) Financial position

At fiscal year end March	2026	2025
Total assets	2,189,084	2,177,563
Net assets	600,446	566,480
Net worth/total assets	27.4%	26.0%
Net worth per share*	442.66	417.12

* Yen

VI. Overview of Consolidated Results

1. Consolidated group results

Net sales reached ¥3,074.5 billion, an increase of ¥37.2 billion from a year ago, and operating income reached ¥231.2 billion, an increase of ¥19.3 billion. Material had decreased income with impacts of maintenance turnaround and inventory valuation in Essential Chemical, while Healthcare had income growth in Pharmaceuticals and Homes had firm performance in domestic Housing. Ordinary income increased by ¥37.0 billion to ¥230.4 billion with substantial recovery of equity in earnings of affiliates. Net income attributable to owners of the parent increased by ¥23.8 billion to ¥158.8 billion with lower income tax expenses than a year ago, although business structure improvement expenses increased.

Regarding non-consolidated results, net sales decreased by ¥75.7 billion to ¥650.8 billion, there was an operating loss of ¥3.5 billion representing a ¥4.1 billion decline from the operating income of the previous year, ordinary income increased by ¥47.7 billion to ¥64.0 billion, and net income increased by ¥76.0 billion to ¥113.0 billion. Decreases in net sales and operating income were largely due to sluggish performance of businesses in the Material segment. Increases in ordinary income and net income were largely an effect of increased dividends received from consolidated subsidiaries than in the previous year as well as recording gain on sale of shares of subsidiaries and associates.

2. Results by operating segment

The Asahi Kasei Group's operations are described by major business classification: three reportable segments of Healthcare, Homes, and Material, together with an "Others" category.

Healthcare and Homes had increased operating income, with income growth in Pharmaceuticals and firm performance in domestic Housing, respectively. Material had decreased operating income with impacts of inventory valuation and maintenance turnaround in Essential Chemical.

HEALTHCARE

Sales increased by ¥48.2 billion from a year ago to ¥664.1 billion, and operating income increased by ¥19.4 billion from a year ago to ¥83.5 billion.

Operating income in Pharmaceuticals increased with increased shipments of mainstay products and the effect of consolidation of Calliditas Therapeutics AB of Sweden in October 2024. In Life Science, although shipments of Planova increased, operating income decreased with higher SG&A expenses and the impact of divestiture of the blood purification business. In Critical Care, although there was a greater number of new patients for LifeVest and a new product launch in professional defibrillators, operating income decreased with higher SG&A expenses.

HOMES

Sales increased by ¥41.5 billion from a year ago to ¥1,077.4 billion, and operating income increased by ¥3.9 billion from a year ago to ¥99.8 billion.

Operating income in order-built homes increased as larger and higher value-added units resulted in higher average unit prices. In real estate development, although the number of condominium units delivered decreased, operating income increased with improved product mix and lower fixed costs. Operating income in rental/brokerage increased with a greater number of units under management and more homes brokered. Operating income in Construction Materials increased with progress in passing on increased costs.

Operating income in overseas homes decreased with lower volume and lower prices in the North American business due to diminished housing demand.

MATERIAL

Sales decreased by ¥62.5 billion from a year ago to ¥1,306.2 billion, and operating income decreased by ¥11.6 billion from a year ago to ¥68.3 billion.

Operating income in Electronics increased with greater sales of mainstay products supported by robust demand in semiconductor and electronic device applications, especially for AI servers and high-end smartphones.

Operating income in Essential Chemical decreased with impacts of inventory valuation and a

large-scale maintenance turnaround in Mizushima. In Car Interior, although sales in Europe were firm, operating income decreased with lower shipments in China and North America and higher fixed costs. In Energy & Infrastructure, although sales volume of ion-exchange process chlor-alkali electrolysis plants increased, operating income decreased with the impact of divestiture of the lead battery separator business and greater SG&A expenses and lower selling prices in the Hipore business. Operating income in Comfort Life and Performance Chemical decreased, with lower shipments of fibers, and impacts of inventory valuation due to lower market prices as well as maintenance turnaround, respectively.

OTHERS

Sales increased by ¥9.9 billion from a year ago to ¥26.7 billion, and operating income increased by ¥1.0 billion from a year ago to ¥3.9 billion.

VII. Consolidated Financial Statements

1. Balance sheets

	At end of March 2025	At end of March 2026
Assets		
Current assets		
Cash and deposits	393,467	377,023
Notes, accounts receivable–trade, and contract assets	491,414	513,807
Merchandise and finished goods	341,531	369,639
Work in process	183,613	226,280
Raw materials and supplies	194,186	197,806
Other	169,042	184,611
Allowance for doubtful accounts	(3,805)	(3,809)
Total current assets	1,769,448	1,865,357
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	698,602	681,618
Accumulated depreciation	(373,652)	(364,121)
Buildings and structures, net	324,950	317,497
Machinery, equipment and vehicles	1,640,722	1,613,963
Accumulated depreciation	(1,368,752)	(1,350,876)
Machinery, equipment and vehicles, net	271,970	263,087
Land	81,945	80,067
Lease assets	14,839	18,504
Accumulated depreciation	(7,114)	(7,904)
Lease assets, net	7,725	10,600
Construction in progress	162,890	212,828
Other	221,775	232,932
Accumulated depreciation	(150,645)	(155,930)
Other, net	71,131	77,003
Subtotal	920,611	961,081
Intangible assets		
Goodwill	389,640	383,805
Technology assets	297,384	294,854
Other	243,529	239,205
Subtotal	930,553	917,865
Investments and other assets		
Investment securities	168,371	140,241
Long-term loans receivable	9,561	10,521
Long-term advance payments–trade	24,416	23,378
Net defined benefit asset	74,133	108,909
Deferred tax assets	69,217	53,921
Other	49,431	57,528
Allowance for doubtful accounts	(527)	(859)
Subtotal	394,602	393,640
Total noncurrent assets	2,245,766	2,272,586
Total assets	4,015,214	4,137,943

	At end of March 2025	At end of March 2026
Liabilities		
Current liabilities		
Notes and accounts payable–trade	193,583	195,002
Short-term loans payable	203,249	99,926
Commercial paper	87,000	—
Current portion of bonds payable	20,000	30,000
Lease obligations	8,049	9,333
Accrued expenses	180,644	196,823
Income taxes payable	18,666	19,696
Advances received	109,750	104,722
Provision for grant of shares	176	243
Provision for periodic repairs	10,297	5,103
Provision for product warranties	4,708	4,892
Provision for removal cost of property, plant and equipment	13,854	3,654
Other	114,631	123,748
Total current liabilities	964,608	793,143
Noncurrent liabilities		
Bonds payable	280,000	250,000
Long-term loans payable	567,209	587,618
Lease obligations	29,538	34,344
Deferred tax liabilities	55,608	58,482
Provision for grant of shares	611	735
Provision for periodic repairs	5,516	6,554
Provision for removal cost of property, plant and equipment	6,874	26,207
Net defined benefit liability	121,619	107,980
Long-term guarantee deposits	24,070	22,971
Other	45,618	84,263
Total noncurrent liabilities	1,136,663	1,179,153
Total liabilities	2,101,271	1,972,296
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	80,319	80,319
Retained earnings	1,191,076	1,294,711
Treasury stock	(8,015)	(10,140)
Total shareholders' equity	1,366,768	1,468,278
Accumulated other comprehensive income		
Net unrealized gain on other securities	35,996	13,674
Deferred gains (losses) on hedges	78	(24)
Foreign currency translation adjustment	394,803	519,234
Remeasurements of defined benefit plans	61,776	87,295
Total accumulated other comprehensive income	492,652	620,180
Non-controlling interests	54,523	77,189
Total net assets	1,913,944	2,165,647
Total liabilities and net assets	4,015,214	4,137,943

2. Statements of income and statements of comprehensive income

(1) Statements of income

	FY 2024	FY 2025
Net sales	3,037,312	3,074,505
Cost of sales	2,079,051	2,065,913
Gross profit	958,260	1,008,592
Selling, general and administrative expenses	746,340	777,392
Operating income	211,921	231,200
Non-operating income		
Interest income	9,982	12,718
Dividends income	3,396	1,933
Equity in earnings of affiliates	—	8,993
Other	7,448	8,064
Total non-operating income	20,826	31,708
Non-operating expenses		
Interest expense	9,096	12,449
Equity in losses of affiliates	7,188	—
Other	23,004	20,041
Total non-operating expenses	39,288	32,490
Ordinary income	193,459	230,419
Extraordinary income		
Gain on sales of investment securities	32,453	41,696
Gain on sales of noncurrent assets	336	3,605
Insurance income	9,512	—
Settlement income	—	8,523
Gain on negative goodwill	2,218	—
Gain on sale of shares of subsidiaries and associates	—	12,428
Total extraordinary income	44,520	66,253
Extraordinary loss		
Loss on valuation of investment securities	2,286	3,335
Loss on disposal of noncurrent assets	8,503	9,738
Impairment loss	12,181	16,661
Loss on cancellation of power contract	—	4,440
Loss on product compensation	1,977	—
Business structure improvement expenses	18,429	47,889
Total extraordinary loss	43,377	82,063
Income before income taxes	194,602	214,609
Income taxes-current	47,914	44,495
Income taxes-deferred	6,283	6,574
Total income taxes	54,197	51,070
Net income	140,404	163,539
Net income attributable to non-controlling interests	5,408	4,746
Net income attributable to owners of the parent	134,996	158,793

(2) Statements of comprehensive income

	FY 2024	FY 2025
Net income	140,404	163,539
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(14,994)	(22,848)
Deferred gains (losses) on hedges	92	(102)
Foreign currency translation adjustment	(22,332)	127,152
Remeasurements of defined benefit plans	28,867	25,394
Share of other comprehensive income of affiliates accounted for using equity method	(572)	142
Total other comprehensive income	(8,938)	129,737
Comprehensive income	131,466	293,277
Comprehensive income attributable to:		
Owners of the parent	126,135	286,321
Non-controlling interests	5,331	6,955

3. Statements of changes in net assets

	FY 2024	FY 2025
Shareholders' equity		
Capital stock		
Balance at beginning of fiscal year	103,389	103,389
Balance at end of fiscal year	103,389	103,389
Capital surplus		
Balance at beginning of fiscal year	80,272	80,319
Changes during the fiscal year		
Disposal of treasury stock	(0)	0
Cancellation of treasury stock	(29,216)	—
Transfer from retained earnings to capital surplus	29,216	—
Capital increase of consolidated subsidiaries	47	—
Total changes of items during the period	47	0
Balance at end of fiscal year	80,319	80,319
Retained earnings		
Balance at beginning of fiscal year	1,135,533	1,191,076
Changes during the fiscal year		
Dividends from surplus	(49,962)	(54,386)
Net income attributable to owners of the parent	134,996	158,793
Transfer from retained earnings to capital surplus	(29,216)	—
Change of scope of consolidation	(275)	(773)
Total changes of items during the period	55,543	103,635
Balance at end of fiscal year	1,191,076	1,294,711
Treasury stock		
Balance at beginning of fiscal year	(7,316)	(8,015)
Changes during the fiscal year		
Purchase of treasury stock	(30,010)	(2,344)
Disposal of treasury stock	94	220
Cancellation of treasury stock	29,216	—
Total changes of items during the period	(700)	(2,125)
Balance at end of fiscal year	(8,015)	(10,140)
Total shareholders' equity		
Balance at beginning of fiscal year	1,311,878	1,366,768
Changes during the fiscal year		
Dividends from surplus	(49,962)	(54,386)
Net income attributable to owners of the parent	134,996	158,793
Purchase of treasury stock	(30,010)	(2,344)
Disposal of treasury stock	94	220
Change of scope of consolidation	(275)	(773)
Capital increase of consolidated subsidiaries	47	—
Total changes of items during the period	54,890	101,510
Balance at end of fiscal year	1,366,768	1,468,278

	FY 2024	FY 2025
Accumulated other comprehensive income		
Net unrealized gain on other securities		
Balance at beginning of fiscal year	51,269	35,996
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(15,273)	(22,322)
Total changes of items during the period	(15,273)	(22,322)
Balance at end of fiscal year	35,996	13,674
Deferred gains or losses on hedges		
Balance at beginning of fiscal year	(14)	78
Changes during the fiscal year		
Net changes of items other than shareholders' equity	92	(102)
Total changes of items during the period	92	(102)
Balance at end of fiscal year	78	(24)
Foreign currency translation adjustment		
Balance at beginning of fiscal year	417,391	394,803
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(22,589)	124,431
Total changes of items during the period	(22,589)	124,431
Balance at end of fiscal year	394,803	519,234
Remeasurements of defined benefit plans		
Balance at beginning of fiscal year	32,867	61,776
Changes during the fiscal year		
Net changes of items other than shareholders' equity	28,908	25,520
Total changes of items during the period	28,908	25,520
Balance at end of fiscal year	61,776	87,295
Total accumulated other comprehensive income		
Balance at beginning of fiscal year	501,513	492,652
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(8,861)	127,528
Total changes of items during the period	(8,861)	127,528
Balance at end of fiscal year	492,652	620,180
Non-controlling interests		
Balance at beginning of fiscal year	35,234	54,523
Changes during the fiscal year		
Net changes of items other than shareholders' equity	19,290	22,665
Total changes of items during the period	19,290	22,665
Balance at end of fiscal year	54,523	77,189
Total net assets		
Balance at beginning of fiscal year	1,848,625	1,913,944
Changes during the fiscal year		
Dividends from surplus	(49,962)	(54,386)
Net income attributable to owners of the parent	134,996	158,793
Purchase of treasury stock	(30,010)	(2,344)
Disposal of treasury stock	94	220
Change of scope of consolidation	(275)	(773)
Capital increase of consolidated subsidiaries	47	—
Net changes of items other than shareholders' equity	10,429	150,193
Total changes of items during the period	65,319	251,703
Balance at end of fiscal year	1,913,944	2,165,647

4. Statements of cash flows

	FY 2024	FY 2025
Cash flows from operating activities		
Income before income taxes	194,602	214,609
Depreciation and amortization	153,478	162,598
Impairment loss	12,181	16,661
Amortization of goodwill	32,628	33,746
Increase (decrease) in provision for grant of shares	171	191
Increase (decrease) in provision for periodic repairs	3,084	(4,157)
Increase (decrease) in provision for product warranties	273	45
Increase (decrease) in provision for removal cost of property, plant and equipment	(1,623)	9,131
Increase (decrease) in net defined benefit liability	2,188	3,923
Interest and dividend income	(13,378)	(14,651)
Interest expense	9,096	12,449
Equity in (earnings) losses of affiliates	7,188	(8,993)
(Gain) loss on sales of investment securities	(32,453)	(41,696)
(Gain) loss on valuation of investment securities	2,286	3,335
(Gain) loss on sale of property, plant and equipment	(336)	(3,605)
(Gain) loss on disposal of noncurrent assets	8,503	9,738
Gain on negative goodwill	(2,218)	—
(Gain) loss on sale of shares of subsidiaries and associates	—	(12,428)
(Increase) decrease in notes, accounts receivable–trade, and contract assets	2,816	(12,377)
(Increase) decrease in inventories	(32,068)	(76,553)
Increase (decrease) in notes and accounts payable–trade	(26,732)	(6,461)
Increase (decrease) in accrued expenses	21,115	16,536
Increase (decrease) in advances received	20,982	28,604
Other, net	(22,176)	17,398
Subtotal	339,608	348,044
Interest and dividend income, received	15,886	15,777
Interest expense paid	(8,549)	(11,953)
Income taxes (paid) refund	(45,456)	(48,764)
Net cash provided by (used in) operating activities	301,489	303,104
Cash flows from investing activities		
Payments into time deposits	(5,065)	(5,425)
Proceeds from withdrawal of time deposits	6,472	4,126
Purchase of property, plant and equipment	(201,684)	(193,671)
Proceeds from sales of property, plant and equipment	723	5,714
Purchase of intangible assets	(16,255)	(17,379)
Purchase of investment securities	(8,025)	(6,289)
Proceeds from sales of investment securities	36,913	48,925
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(191,174)	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,809	62,605
Payments for transfer of business	(8,281)	—
Payments of loans receivable	(9,191)	(10,812)
Collection of loans receivable	12,799	4,457
Other, net	(191)	878
Net cash provided by (used in) investing activities	(381,150)	(106,873)

	FY 2024	FY 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	14,841	(106,763)
Increase (decrease) in commercial paper	4,000	(87,000)
Proceeds from long-term loans payable	206,063	83,107
Repayment of long-term loans payable	(72,482)	(63,916)
Proceeds from issuance of bonds payable	100,000	—
Redemption of bonds	(30,000)	(20,000)
Repayments of lease obligations	(10,903)	(9,984)
Purchase of treasury stock	(30,019)	(2,344)
Proceeds from disposal of treasury stock	122	220
Cash dividends paid	(49,962)	(54,386)
Proceeds from share issuance to non-controlling interests	16,312	18,000
Cash dividends paid to non-controlling interests	(2,824)	(2,330)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(325)	—
Other, net	(256)	43
Net cash provided by (used in) financing activities	144,567	(245,354)
Effect of exchange rate change on cash and cash equivalents	(8,503)	31,156
Net increase (decrease) in cash and cash equivalents	56,403	(17,967)
Cash and cash equivalents at beginning of period	333,498	390,035
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	134	0
Cash and cash equivalents at end of period	390,035	372,068

VIII. Business Combinations

1. Transfer of blood purification business to IA Holdings Co., Ltd. through issuance of preferred stock by a consolidated subsidiary, transfer of shares, etc.

1) Outline of business separation

(1) Name of company separated to
IA Holdings Co., Ltd.

(2) Nature of separated business

- Development, manufacture, and sale of dialyzers (artificial kidneys) and related products
- Development, manufacture, and sale of therapeutic apheresis products

(3) Main reasons for the separation

With a 50-year history of development, manufacture, and sale of dialysis and therapeutic apheresis related products, the blood purification business supplies a range of products that are highly regarded by users both in Japan and overseas. High value-added products include dialyzer with Vitamin E-interactive membrane, plasmapheresis products for intractable diseases, and the CryoSeal System for automated production of autologous fibrin sealant. Recently, the blood purification business has leveraged its extensive cultivated experience and know-how to newly expand into the field of intensive care with products and services that provide diverse value to patients and healthcare professionals. While Asahi Kasei had studied various strategic options for the continuous growth of the blood purification business, it received a proactive investment proposal from Integral Corporation with a strong will to grow the business. Asahi Kasei determined that it would be important for the blood purification business to further strengthen investment for growth as an independent and specialized business under a new partner.

(4) Date of business separation

April 1, 2025

(5) Other items related to the transaction

- (a) Asahi Kasei Life Science Corp. established as a wholly owned subsidiary of Asahi Kasei.
- (b) Bioprocess business, etc. transferred from Asahi Kasei Medical to Asahi Kasei Life Science by absorption-type separation.
- (c) Through IA Holdings Co., Ltd. (Investing Company), a special purpose company established by Integral Corporation and to be owned by the fund managed by its affiliates (Integral Corporation and the affiliates are hereinafter collectively referred to as “Integral”), Integral invested in Asahi Kasei Medical by preferred stock, and on April 1, 2025, Asahi Kasei transferred shares in Asahi Kasei Medical to the Investing Company, etc., resulting in 20% of the voting rights in Asahi Kasei Medical being held by Asahi Kasei and 80% being held by the Investing Company. The remaining shares are to be transferred targeting around April 2027, raising the Investing Company’s holding of voting rights in Asahi Kasei Medical to 100% (including cases where the holding ratio jointly held with a company designated by the Investing Company is 100%).

2) Outline of accounting treatment

(1) Amount of gain or loss on transfer

Gain on business transfer ¥8,456 million

(2) Appropriate book value of assets and liabilities related to transferred business

Current assets	¥47,373 million
<u>Noncurrent assets</u>	<u>¥25,601 million</u>
<u>Total assets</u>	<u>¥72,975 million</u>
Current liabilities	¥17,768 million
<u>Noncurrent liabilities</u>	<u>¥5,601 million</u>
<u>Total liabilities</u>	<u>¥23,369 million</u>

(3) Accounting treatment

The difference between the consideration received for the transfer and the amount equivalent to the shareholders’ equity related to the transferred business is recognized as gain on sale of shares of subsidiaries and associates.

3) Reportable segment which the separated business was included in
Healthcare

2. Corporate separation by a consolidated subsidiary and transfer of diagnostics business etc. to Nagase & Co., Ltd. through transfer of shares

1) Outline of business separation

(1) Name of company separated to

Nagase & Co., Ltd.

(2) Nature of separated business

- All operations related to the manufacture, development, and sale of diagnostic reagents and enzymes for diagnostic reagents
- Ohito Pharmaceuticals Plant (manufacturing plant for raw material of enzymes for diagnostic reagents, and for active pharmaceutical ingredients of Bredinin™ and other pharmaceuticals)
- Ohito Office (infrastructure management organization mainly for the Ohito District overall, including the diagnostics business and the Ohito Pharmaceuticals Plant)

(3) Main reasons for the separation

The Asahi Kasei Group aims for income growth in its Healthcare sector through the growth of medical devices and related products in the field of critical care, continuous expansion of the

pharmaceuticals business, and development of the bioprocess business. As each area has significant growth opportunities that will continue to require focused investment, a portfolio review was performed to determine future priorities. As part of this process, Asahi Kasei Pharma Corp. (Asahi Kasei Pharma) carefully studied various options for its diagnostics business (the Business), including the possibility of transfer to another company that could generate synergy with the Business from the perspective of being the best owner. Asahi Kasei Pharma determined that it would be best for the Business to operate not under the Asahi Kasei Group but under Nagase & Co., Ltd. (Nagase), which has a firm presence and outstanding technological capabilities in bio-related fields and is capable of making proactive investments for the growth of the Business.

(4) Date of business separation
July 1, 2025

(5) Other items related to the transaction
With an effective date of July 1, 2025, Asahi Kasei Pharma transferred its rights and obligations pertaining to the transfer, and its land and facilities in the Ohito District, to Nagase Diagnostics Co., Ltd. (Nagase Diagnostics), which was established by Asahi Kasei Pharma through corporate separation, and on the same date, Asahi Kasei Pharma transferred to Nagase all shares of Nagase Diagnostics.

Note: Asahi Kasei Pharma Corp. changed its name to Asahi Kasei Therapeutics Corp. on April 1, 2026.

2) Outline of accounting treatment

(1) Amount of gain or loss on transfer
Loss on business transfer ¥4,690 million

(2) Appropriate book value of assets and liabilities related to transferred business

Current assets	¥3,002 million
<u>Noncurrent assets</u>	<u>¥11,399 million</u>
<u>Total assets</u>	<u>¥14,401 million</u>
Current liabilities	¥66 million
<u>Noncurrent liabilities</u>	<u>¥35 million</u>
<u>Total liabilities</u>	<u>¥101 million</u>

(3) Accounting treatment
The difference between the consideration received for the transfer and the amount equivalent to the shareholders' equity related to the transferred business is recognized as business structure improvement expenses.

3) Reportable segment which the separated business was included in
Healthcare

4) Approximate profit or loss related to the separated business recorded in consolidated statements of income for the fiscal year ended March 31, 2026
Information is omitted due to immateriality.

3. Transfer of Daramic lead battery separator business by consolidated subsidiaries

1) Outline of business separation

(1) Name of companies separated to
Daramic Buyer LLC, Polypore Buyer LLC

(2) Nature of separated business
Manufacture, development, and sale of Daramic lead battery separator

(3) Main reasons for the separation

Asahi Kasei acquired Polypore International, LLC (Polypore) in August 2015, obtaining the Daramic lead battery separator business and the Celgard dry-process lithium-ion battery separator business. Daramic is mainly used in automotive and industrial applications. In order to reap stable earnings from the Daramic business, Asahi Kasei performed cost reductions and other measures to strengthen its global manufacturing sites. Considering the long-term competitiveness of the business, divestiture to a more optimal owner was deemed to be in the best interest of all parties concerned.

(4) Date of business separation

December 1, 2025

(5) Other items related to the transaction

Equity transfer conducted in exchange for consideration consisting solely of cash or other assets

With an effective date of December 1, 2025, Polypore and Celgard, LLC transferred all equity interests relating to the Daramic business to Daramic Buyer LLC and Polypore Buyer LLC, which were established by Kingswood Capital Management, L.P.

2) Outline of accounting treatment

(1) Amount of gain or loss on transfer

Loss on business transfer ¥7,166 million

Note: Amount based on provisional calculation as price adjustment is to be performed as agreed with the purchasers

(2) Appropriate book value of assets and liabilities related to transferred business

Current assets ¥26,319 million

Noncurrent assets ¥30,142 million

Total assets ¥56,462 million

Current liabilities ¥7,295 million

Noncurrent liabilities ¥5,523 million

Total liabilities ¥12,817 million

(3) Accounting treatment

The difference between the consideration received for the transfer and the amount equivalent to the shareholders' equity related to the transferred business is recognized as business structure improvement expenses.

3) Reportable segment which the separated business was included in

Material

4) Approximate profit or loss related to the separated business recorded in consolidated statements of income for the fiscal year ended March 31, 2026

Net sales: ¥26,601 million

Operating income: ¥2,820 million

IX. Additional Information

1. Business integration between Asahi Kasei Advance and Teijin Frontier

Asahi Kasei and Teijin Limited (Teijin) entered into an agreement on December 1, 2025, to implement an absorption-type merger between Asahi Kasei Advance Corp. (Asahi Kasei Advance), a consolidated subsidiary of Asahi Kasei, and Teijin Frontier Co., Ltd. (Teijin Frontier), a consolidated subsidiary of Teijin, whereby Teijin Frontier will serve as the surviving company and become a joint venture between Asahi Kasei (20%) and Teijin (80%), effective October 1, 2026 (scheduled).

1) Outline of business separation

(1) Name of company separated to
Teijin Frontier Co., Ltd.

(2) Nature of separated business
Product trading, manufacturing and processing, and services in the fields of textiles, chemicals, and construction materials

(3) Main reasons for the separation
Asahi Kasei Advance was established in 2015 as a trading company primarily handling products from the Asahi Kasei Group, such as fibers, chemical products, and construction materials. Considering sustained business expansion, it was determined that operation of the business under Teijin Frontier, which combines trading company functions having strong global procurement capabilities and manufacturing functions to develop and produce high-performance fibers, providing unique solutions across a wide range of fields, including apparel textiles and industrial materials, would be the most promising path forward rather than pursuing independent growth for Asahi Kasei Advance.

(4) Date of business separation
October 1, 2026 (scheduled)

(5) Other items related to the transaction
Prior to the integration, Asahi Kasei (China) Co., Ltd., a consolidated subsidiary of Asahi Kasei, will transfer to Asahi Kasei Advance full ownership of Hangzhou Asahi Kasei Textiles Co., Ltd., which manufactures and sells textile products.

2) Reportable segment which the separated business was included in Material

X. Segment Information

1. Reporting segments

(1) Fiscal 2024

	Reporting segments				Others ¹	Total
	Healthcare	Homes	Material	Subtotal		
<i>Sales</i>						
Customers	615,901	1,035,860	1,368,770	3,020,530	16,781	3,037,312
Intersegment	5	10,036	18,234	28,275	45,549	73,823
Total	615,905	1,045,895	1,387,004	3,048,805	62,330	3,111,135
Operating income	64,026	95,912	79,905	239,843	2,929	242,772
Assets	1,326,101	688,131	1,842,954	3,857,186	123,024	3,980,210
<i>Other items</i>						
Depreciation and amortization ²	54,736	20,675	65,082	140,493	1,097	141,589
Amortization of goodwill	25,293	1,875	5,460	32,628	—	32,628
Investments in associates accounted for using equity method	1,398	5,091	47,934	54,423	24,335	78,758
Increase in property, plant and equipment, and intangible assets	42,644	31,493	125,572	199,709	1,787	201,496

¹ Plant and environmental engineering, research and analysis, employment agency/staffing operations, etc.

² Excluding amortization of goodwill.

(2) Fiscal 2025

	Reporting segments				Others ¹	Total
	Healthcare	Homes	Material	Subtotal		
<i>Sales</i>						
Customers	664,146	1,077,394	1,306,240	3,047,779	26,725	3,074,505
Intersegment	89	11,151	13,682	24,923	44,712	69,634
Total	664,236	1,088,544	1,319,922	3,072,702	71,437	3,144,139
Operating income	83,452	99,781	68,321	251,553	3,932	255,485
Assets	1,397,225	800,318	1,893,421	4,090,964	141,149	4,232,113
<i>Other items</i>						
Depreciation and amortization ²	61,041	20,717	67,314	149,072	1,069	150,141
Amortization of goodwill	26,160	2,232	5,354	33,746	—	33,746
Investments in associates accounted for using equity method	9,895	5,349	50,967	66,212	25,047	91,259
Increase in property, plant and equipment, and intangible assets	25,158	25,807	164,829	215,794	697	216,491

¹ Plant and environmental engineering, research and analysis, employment agency/staffing operations, etc.

² Excluding amortization of goodwill.

2. Differences between total amounts of reporting segments and recorded amounts on consolidated financial statements

Sales	Fiscal 2024	Fiscal 2025
Total of reporting segments	3,048,805	3,072,702
Net sales in "Others" category	62,330	71,437
Elimination of intersegment transactions	(73,823)	(69,634)
Net sales on consolidated statements of income	3,037,312	3,074,505

Operating income	Fiscal 2024	Fiscal 2025
Total of reporting segments	239,843	251,553
Operating income in "Others" category	2,929	3,932
Elimination of intersegment transactions	23	496
Corporate expenses, etc. ¹	(30,874)	(24,781)
Operating income on consolidated statements of income	211,921	231,200

¹ Corporate expenses, etc. include corporate revenue, basic research expense, and group management expense, etc. which are not allocated to reporting segments.

Assets	Fiscal 2024	Fiscal 2025
Total of reporting segments	3,857,186	4,090,964
Assets in "Others" category	123,024	141,149
Elimination of intersegment transactions	(483,217)	(677,897)
Corporate assets ¹	518,222	583,726
Total assets on consolidated balance sheets	4,015,214	4,137,943

¹ Corporate assets include assets of Asahi Kasei Corp.—surplus operating funds (cash and deposits), long-term investment capital (investment securities, etc.), and land, etc.

XI. Geographic Information

1. Fiscal 2024

(1) Net sales

Japan	United States	China	Other regions	Total
1,377,378	597,934	285,571	776,429	3,037,312

(2) Property, plant and equipment

Japan	United States	Canada	Other regions	Total
586,706	179,674	25,991	128,241	920,611

2. Fiscal 2025

(1) Net sales

Japan	United States	China	Other regions	Total
1,380,007	653,461	253,951	787,086	3,074,505

(2) Property, plant and equipment

Japan	United States	Canada	Other regions	Total
558,102	169,138	105,123	128,718	961,081

Changes in presentation:

Canada, which was included in other regions for the fiscal year ended March 31, 2025, is presented separately for the fiscal year ended March 31, 2026, as it exceeded one-tenth of total property, plant and equipment on the consolidated balance sheets. Geographic information for the fiscal year ended March 31, 2026, has been restated to reflect this change. As a result, other regions, previously reported to be ¥154,232 million, is reclassified to ¥25,991 million as Canada and ¥128,241 million as other regions.

XII. Important Subsequent Events

1. Acquisition of shares of Aicuris Anti-infective Cures AG

Veloxis Pharmaceuticals, Inc., a consolidated subsidiary of Asahi Kasei, decided to acquire all shares of German-based biopharmaceutical company Aicuris Anti-infective Cures AG (Aicuris), and the procedures were completed on April 17, 2026.

1) Outline of business combination

(1) Name and nature of business of counterparty

Name of acquired company: Aicuris Anti-infective Cures AG

Nature of business: Development of medicine and related products

(2) Main reasons for the acquisition

The acquisition advances Asahi Kasei's strategy to build a focused, sustainable specialty pharmaceutical platform serving immunocompromised and medically complex patient populations. Severe infectious diseases represent an area where Asahi Kasei already maintains a presence and is strategically adjacent to its established core transplant (Veloxis) and nephrology (Calliditas) subsidiaries, where infection-related complications remain a significant clinical concern. By leveraging its established commercial infrastructure across transplant centers and nephrology providers, together with its advanced R&D capabilities, Asahi Kasei expects to accelerate the development and commercialization of Aicuris's pipeline while enhancing operating efficiency and long-term earnings.

(3) Acquisition date

April 17, 2026

(4) Statutory form of business combination

Stock purchase for cash as consideration

(5) Name of company after transaction

Aicuris Anti-infective Cures AG

(6) Acquired voting right

Voting right before the acquisition: 0%

Voting right after the acquisition: 100%

(7) Grounds for determining acquiring company

Stock purchase for cash as consideration by a consolidated subsidiary of Asahi Kasei

2) Cost of acquisition and details

Purchase consideration	cash	€783 million
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Purchase price		€783 million
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3) Amount of goodwill, measurement principle, amortization method, and useful life

Not determined

2. Borrowing of funds for the acquisition of all shares of Aicuris Anti-infective Cures AG

Asahi Kasei concluded a revolving credit facility agreement with Sumitomo Mitsui Banking Corporation et al. to raise funds required for the acquisition of all shares of Aicuris Anti-infective Cures AG, and on April 14, 2026, borrowing was performed as described below.

1) Borrower

Asahi Kasei Corp.

2) Lenders

Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., and MUFG Bank, Ltd.

3) Type of borrowing

Yen-denominated loan

4) Amount

¥129,000 million

5) Purpose

Funds for the acquisition of shares of Aicuris Anti-infective Cures AG, etc., and payment of related expenses

6) Interest rate

Benchmark rate + spread

7) Date of borrowing

April 14, 2026

8) Expiration of agreement

March 31, 2027, etc.

9) Collateral

None

10) Guarantee

None

11) Financial covenants

None

3. Reconfiguration of certain derivatives operations at the Mizushima Works to strengthen profitability by fiscal 2030

1) Outline

The Board of Directors of Asahi Kasei adopted a resolution on May 12, 2026, regarding the reconfiguration of certain derivatives operations at the company's Mizushima Works by fiscal 2030, as shown in the table below.

(1) Products with production to be discontinued targeting fiscal 2030

Product	Applications	Schedule for discontinuation of production	Schedule for cessation of sale
Styrene monomer	Resin feedstock, etc.	Targeting fiscal 2030	TBD (sale continuing for some time)
Suntec™-LD and Suntec™-EVA low-density polyethylene (LDPE)	Various films, packaging materials, sundry goods, etc.		
Suntec™-HD and Creolex™ high-density polyethylene (HDPE)			

(2) Products for the supply framework to be reconfigured

Product	Applications	Scope of reconfiguration
Acrylonitrile (AN)	Resin feedstock, fiber feedstock, etc.	Targeting fiscal 2030, the 200,000 ton/year production line at the Mizushima Works will be discontinued, and the 50,000 ton/year MAN (methacrylonitrile) production line will be converted to AN/MAN co-production. AN supply will continue together with AN produced by Tongsoh Petrochemical Corp., Ltd., a subsidiary in South Korea.
DuranoI™ polycarbonate diol (PCD)	Polyurethane feedstock for synthetic leather, etc.	Targeting fiscal 2030, production at the Mizushima Plant (around 3,000 tons/year) will be discontinued, while supply will be continued through production by Asahi Kasei Performance Chemicals Corp., a subsidiary in China, etc.

(3) Net sales of subject businesses (year ended March 31, 2026)

¥116,174 million (total gross sales of relevant products, including internal transactions)

(4) Significant impact of the reconfiguration of certain derivatives operations at the Mizushima Works on business operations, etc.

The 251 employees currently assigned to the affected operations will be reassigned to other positions within Asahi Kasei. The equipment will be promptly dismantled following discontinuation of production. As dismantling of equipment is expected to be performed in fiscal 2030 or later, costs will be incurred in accordance with progress.